

**NOTICE OF CRITICAL STATUS**  
**FOR**  
**LOCAL 810 AFFILIATED**  
**PENSION FUND**

This is to inform you that on March 31, 2015, the plan actuary certified to the U.S. Department of the Treasury, and to the plan sponsor, that the Local 810 Affiliated Pension Plan (hereafter, the “Plan”) is in critical status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

**Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan Actuary determined that the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency for the 2015 plan year.

**Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. In February 2013 you were notified that:

- 1) Effective April 1, 2013, for disability pensions: (a) require a participant to have worked a minimum of twenty years; and (b) reduce the amount of the disability pension by 3% per year for every year such disability pension benefit is received prior to age 65.
- 2) Effective April 1, 2013, eliminate the five-year deferred vested pension payable upon the attainment of age 55.
- 3) Reduce the multiplier (accrual rate) from \$55 to: (a) \$50, effective April 1, 2013; (b) \$45, effective January 1, 2014; and (c) \$40, effective January 1, 2015.
- 4) Effective January 1, 2014, reduce the early retirement benefit by one-half of one percent ( $\frac{1}{2}\%$ ) per month to reflect the early commencement of the benefit; this represents the actuarially equivalent benefit to the normal retirement benefit.
- 5) Effective January 1, 2014, require individuals seeking a “30-Year Retirement Pension” to have attained age 60.

Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after 30 days from the date of the change.

## **Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt. Many of the adjustable benefits have already been reduced or eliminated as part of the rehabilitation plan adopted in 2013:

- ✓ 20-year service benefit;
- ✓ 30-year service benefit;
- ✓ 36-month payment guarantees;
- ✓ Disability benefit (if not yet in pay status);
- ✓ Early retirement benefit or retirement-type subsidy;
  - Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
  - Recent benefit increases (i.e., occurring in past 5 years);
- ✓ Other similar benefits, rights, or features under the plan {provide identification}
  - (1) Enhanced accrual upon attainment of age 55 and 15 years of service
  - (2) Subsidized joint-and-survivor benefit

## **Where to Get More Information**

For more information about this Notice, you may contact the Fund Office at 212-691-4100, 2409 38<sup>th</sup> Avenue, Long Island City, New York 11101. You have a right to receive a copy of the rehabilitation plan from the Plan Administrator.

Sincerely,

The Board of Trustees

*As required by law, this notice is being provided to all required parties including the Pension Benefit Guaranty Corporation (PBGC), the U.S. Department of Labor, each Plan Participant and Beneficiary, the Union and each the Contributing Employer.*